

# Introduction

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The FY 2005 Proposed Budget and Financial Plan includes several special studies of topics that add detail and context to information presented in the primary budget volume. Some of these are required by the Fiscal Year 2005 Budget Submission Requirements Resolution of 2004, others summarize work done by the Office of Budget and Planning, as well as other offices in the Office of the Chief Financial Officer, as part of efforts to provide decision-makers with better information upon which to make budget and management decisions regarding the District's finances.

This volume presents five studies:

- **Benchmarking and the District of Columbia** - For several agencies or functions, this study presents benchmarks for District programs. Data for other jurisdictions are included.
- **Medicaid in the District of Columbia** - Expenditures on Medicaid are a major cost driver of the District's overall expenditures in recent years. This study describes the federal and local roles in the Medicaid program, the effect of Medicaid write-offs.
- **Workforce and Labor Costs** - The District's labor costs and workforce structure have been an area of interest for many years. This study details the District's current workforce and trends in labor costs.
- **Service-level Budgeting** - The requirements for the FY 2005 Budget specified 20 services, in five agencies, for which the District must budget at the service level. This is one level lower than the usual budget presentation, which is at the agency, program, and activity levels. This study provides details of the service-level budgets for the 20 services.
- **Tax Expenditures** - While the budget displays the agencies, programs, and activities on which the District spends its funds, it does not explicitly display another use of resources: providing tax exemptions for various purposes. The value of a tax exemption is measured as a "tax expenditure," because from a budgetary standpoint the effect is the same as if the tax were collected and then spent on the same purpose as that for which the tax exemption was granted. This study describes and quantifies the District's tax expenditures.

The purpose of these studies is to provide information to the Mayor and the Council as they deliberate on the District's funding priorities. These studies provide information that is not otherwise available in the main volumes of the FY 2005 Budget and Financial Plan.